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RUMANIAN DECREE SEVERELY CRITICIZES ARTISANS COOPERATIVES

Comment: Decree No 785, issued in Bucharest by the Council of Ministers on 20 March 1953, provides for the improvement of activities in artisans cooperatives. This decree is unusual in that it contains a long, strongly worded introduction condemning the failure of the artisans cooperative movement. This failure is blamed on Vasile Luca and his supporters, Ana Pauker and Teohari Georgescu.

The artisans cooperatives were frequently mentioned in the monthly periodical Probleme Economice and in Bucharest daily newspapers in 1952. The cooperatives were expected to make up for the chronic shortage of consumer goods which resulted from efforts toward industrialization, and to help maintain central stockpiles of materials. [redacted] The 1952 articles all indicated that the cooperatives had been successful in producing consumer goods from local resources.

This decree, however, states that artisans cooperatives have been withdrawing supplies from central stockpiles and that members of the cooperatives have been committing sabotage.⁷

The people's democratic regime has created favorable conditions for production by artisans. The regime supports artisans by supply, credit, financial aid, etc. This enables the artisans to aid in the construction of socialism through increased production of consumer goods needed by workers in towns and cities, and to aid in raising the material and cultural standards of the country. As a result of help by the regime, many artisans formed cooperatives. The production of these cooperatives was 2.3 percent greater in 1952 than in 1950. A number of cooperatives succeeded in manufacturing new products, such as calculating machines, photographic paper, clocks, etc, and in processing scrap and local raw materials to produce consumer goods such as shoes, children's clothing, leather and household goods, knitted goods, and other items of good quality.

- 1 -

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However, the Council of Ministers considers that the results obtained are unsatisfactory in comparison with the possibilities which exist. Serious errors and deviations from directives of the party and state have occurred.

Artisans cooperatives completely ignored resolutions of the Central Committee of the Rumanian Workers Party issued 3 - 5 March 1949, which state: "The cooperative movement must be completely purged of any capitalist elements which still persist in the leadership of consumer and sales cooperatives, as well as in production cooperatives in cities." Numerous capitalist and hostile elements have entered managements of cooperatives, as well as various administrative units of unions and the Central Cooperative Union.

Instead of taking measures to combat and overcome hostile exploitation by these elements, the doors of artisans cooperatives were opened to former capitalists, bourgeois elements, and police. These elements are camouflaging themselves in the homes of cooperative members, are exploiting wage earners, are inflating prices, and are harming public property at construction cooperatives and others.

The activity of capitalist elements who penetrated the administrations of artisans cooperatives was apparent in all phases of cooperative operations. For example, these hostile elements obtained raw materials and equipment from central state stockpiles by deception, by exaggerating the amount of raw materials used, and by diverting a significant amount of raw materials and equipment to the private capitalist sector. This constituted a deviation from their duty of utilizing local raw materials to manufacture more consumer goods for workers.

In finance, these hostile elements impeded the maintenance of records as required by state law. As a result of the disorder thus created, they sabotaged financial measures by failing to pay taxes on time and by grossly falsifying figures. At the same time, they inflated expenses in order to raise the cost of products and services. They thus sabotaged the party and government policy of reducing the price of goods. In many cooperatives they charged speculation prices, which enriched capitalist elements and enemies camouflaged as cooperative managements.

These serious errors and deviations are due to the counterrevolutionary activities of Luca, who, supported by Pauker and Georgescu, caused the artisans cooperative movement to deviate from the correct line drawn by the Central Committee of the Rumanian Workers Party on 3 - 5 March 1949, by supporting and encouraging the penetration of capitalist and hostile elements into the cooperatives. With the aid of the counterrevolutionary tools which he introduced into the managements of artisans cooperatives, he stimulated the activity of capitalist elements, which led to serious harm to the state, to the mass of consumers, and to the cooperative members.

A number of executive committees of people's councils did not support and control activities of artisans cooperatives in regard to the production of consumer goods and the use of local resources to raise the standard of living of workers and peasants.

A number of regiune, raion, and city party organizations did not devote the required attention to the carrying out of political work in artisans cooperatives, and underestimated the significance of these cooperatives. They did not give sufficient aid to primary party organizations in raising the political level of members of cooperatives and in arousing vigilance against hostile elements and speculators.

To eliminate the consequences of counterrevolutionary activities in artisans cooperatives, it is recommended that the Central Union of Artisans Cooperatives take the necessary measures to assure the continued development of artisans cooperatives according to the line indicated at the plenary session of the Central Committee of the Rumanian Workers Party, held 3 - 5 March 1949. To achieve this, the Council of Ministers and the Central Committee of the Rumanian Workers Party promulgates the following measures:

- 2 -

S-E-C-R-E-T

S-E-C-R-E-T

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1. Artisans cooperatives must concentrate on using local resources in the production of consumer goods for workers in cities and villages, by taking advantage of local conditions in each regiune, city, raion, commune, and village.

Artisans cooperatives must devote greater attention to the production of objets d'art of a national character and must eagerly cultivate the traditions and customs of each regiune. They must encourage household production, which thus far has been neglected.

Another responsibility of artisans cooperatives is the formation of a wide network of repair shops to serve the needs of the working population.

2. Artisans cooperatives must devote their attention primarily to improving the quality of products, and must realize that poor quality militates against the interest of the people and of cooperative members.

To stimulate cooperatives to produce goods of higher quality, and to permit the consumer to choose goods from a particular cooperative, products will bear the stamp or mark of the producer.

3. Artisans cooperatives must develop their own supply of materials by every possible means. They must make maximum use of local raw materials, usable wastes received from various enterprises or purchased from the people, and agricultural products purchased according to law.

Artisans cooperatives will be supplied with raw materials from the central stockpile to complete supply needs.

4. Artisans cooperatives will carry out strict economies to reduce the use of raw materials and to cut expenses, in order to lower production costs.

5. Cooperatives will consider it their duty to fulfill their obligations on time. The state will aid the cooperatives by granting credit for the fulfillment of their duties.

6. The managements of artisans cooperatives will have to learn from past mistakes. They will have to fight for strict financial discipline by organizing internal financial control and by closely supervising the activities of supervisory committees in cooperatives, in order to prevent theft of common property, disorder, and fraud.

7. Artisans cooperatives are formed by the voluntary union of artisans to produce consumer goods by their personal labor. They progress from production in small private shops to production in cooperative enterprises. In the latter they use common means of production, buying necessary equipment, and raising their cultural and material standards. The following can be members of artisans cooperatives:

a. Artisans in cities and villages who have had no more than five employees.

b. Working peasants with independent holdings which are too small to occupy all their time.

c. Artisans, regardless of the number of employees which they have had, who supported the workers' movement before 27 August 1944 and who today are attached to the people's democratic regime.

- 3 -

S-E-C-R-E-T

S-E-C-R-E-T

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d. Those who have neither exploited nor shown a hostile attitude toward the working classes and who are not engaged in production, but who qualify in a trade.

An artisans cooperative can be formed by the minimum number of artisans sufficient to engage in organized productive activity.

8. The artisans cooperative is the first echelon and the union of artisans cooperatives is the second echelon in the cooperative movement.

The present form of organization of unions is functional and covers many regions. This does not fit the necessities of the situation and is bureaucratic. This form of organization prevents the proper development of cooperative activities and hinders aid from local party organizations. It is recommended that the Central Union of Artisans Cooperatives reorganize unions according to state administrative districts. Within these districts, unions can be set up for each type of activity.

The duty of the union is to organize and to conduct the economic, organizational, and cultural activities of each of its units, and to represent these units when dealing with institutes and state organizations.

Unions are directly subordinate to the General Council of the Central Union of Artisans Cooperatives, which in turn represents the entire cooperative movement in dealings with central state organizations.

9. The following measures are recommended to the Central Union of Artisans Cooperatives for the liquidation of organizational errors:

- a. Preparation of a new statute to replace the present inadequate one.
- b. Reexamination of the cooperative situation, study to determine whether artisans cooperatives are operating according to the correct principles of organization, and expulsion of hostile elements.
- c. Drawing up of a general assembly to elect managements of artisans cooperatives and unions.

The general assembly will have to operate in a healthful atmosphere of criticism and self-criticism. It will have to mobilize all cooperatives to fulfill the Five-Year Plan in 4 years and to enforce strict obedience to state laws.

10. To strengthen internal democracy in artisans cooperatives, it is recommended that the managements of cooperatives present quarterly and annual reports of operations to the general assembly. It is likewise recommended that higher cooperative units present quarterly and annual reports on over-all activity to lower cooperative units.

11. Work protection measures must be undertaken in order to improve labor conditions in artisans cooperatives. For this purpose, it is recommended that sections for work protection be formed at the union level, and that commissions for work protection be formed in individual cooperatives.

12. The Central Bank for Mutual Insurance will have to improve its network of dispensaries, sanatoriums, and rest homes to assure better medical attention and to assure vacations for an ever greater number of artisans.

- 4 -

S-E-C-R-E-T

S-E-C-R-E-T

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13. The widest possible spread of competitions in artisans cooperatives is one of the chief factors in strengthening the cooperative movement and in raising the standard of living of cooperative members.

14. It is recommended that the Central Union of Artisans Cooperatives set up insignia and prizes for leading units, members, or employees who have been outstanding in competition.

15. The organization of production conferences, the popularization of advanced Soviet and Rumanian Stakhanovite methods, and exchanges of experiences must play an important role in improving work methods and in avoiding errors.

16. Inventions, innovations, and rationalizations must be supported and publicized.

17. The following measures are recommended to raise the professional, technical, and cultural level of members of artisans cooperatives:

a. Establishment of courses to increase the knowledge of members and to train new members.

b. Increase in the activities of cultural commissions to organize clubs, political and scientific activities, and arts and sports for the masses.

c. Elimination of illiteracy and poor knowledge of books among members of cooperatives.

d. Formation of a socialist conscience as manifested in obedience to state laws and in a new attitude toward work and public property.

18. Cooperative newspapers must serve as powerful instruments for the education and mobilization of cooperatives in the fulfillment of plans, in the popularization of new methods, in the encouragement of exchanges of experience, and in criticism of units behind schedule in production.

19. Artisans cooperatives must devote special attention to the organization of invalids cooperatives. This will permit the training of invalids to enable them to work and to support themselves. These invalids cooperatives will be supplied with the material and equipment needed for production.

20. All state economic institutes and organizations are required to give technical and material aid to artisans cooperatives.

21. The State Planning Committee and the State Supply Committee will submit to the Council of Ministers suggestions for drawing up contracts with artisans cooperatives for the use of tools, parts of tools, and other items useful to the cooperatives.

22. To stimulate the production of artisans cooperatives, the Ministry of Finance, within 30 days of the issuance of this decree, will submit to the Council of Ministers a draft decree providing for the reduction or the removal of taxes on the transport of consumer goods produced from scrap, provided the sales price of these goods is less than that of similar goods produced from new raw material.

- 5 -

S-E-C-R-E-T

S-E-C-R-E-T

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The Ministry of Finance and the Central Directorate of Statistics will, by 1 April, prepare a system of simple forms and records to permit artisans cooperatives to record production, supply, materials, and finances.

23. Executive Committees of People's Councils, as well as local organs of state power, will have the following duties:

a. To aid and control the economic and cultural activities of artisans cooperatives, and to assure local conditions which will permit production by these cooperatives.

b. To advise on prices of artisans cooperative products which are not fixed in general price schedules.

c. To aid in checking funds of cooperatives and cooperative unions.

24. The removal of equipment, means of transport, and other items belonging to artisans cooperatives by institutes and organizations is forbidden. In exceptional cases, the removal of this property can be carried out by decree of the Council of Ministers.

25. Party organizations will have the following duties:

a. Organization of artisans cooperatives; elimination of hostile, speculating, and profiteering elements; and cultivation of revolutionary vigilance.

b. Organization of general assemblies, and holding of meetings in a healthful critical and self-critical spirit to reveal errors and deviations and thus to unmask and to eliminate hostile elements.

c. Intensification of cultural and political work among members of artisans cooperatives; and carrying out of political agitation to solve production problems, to enforce labor discipline, and to continue increased production of high quality, low cost consumer goods.

26. Regiune, raion, and city party organizations will periodically analyze the activity of artisans cooperatives in order to assure strict application of party and government lines. They will enforce the intensification of political work by primary organizations.

Party organizations will devote special attention to invalids cooperatives, to assure that these will constitute a means of education and training for invalids.

27. The Union of Working Youth will attract young people to artistic, cultural, sport, and productive activities in artisans cooperatives. Youths will have to lead competitions to fulfill plans.

28. It is recommended that the Executive Committee of the Central Union of Artisans Cooperatives call the general council of the union into sessions to set up measures to apply this decree.

The Council of Ministers and the Central Committee of the Rumanian Workers' Party considers that the application of this decree will permit artisans cooperatives to increase production of consumer goods which are needed to maintain the continually rising standard of living of workers on the road to socialism in Rumania.

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- 6 -

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